



BRIEFING

Commissioning of additional MIQ facilities

Date:	27 August 2021	Priority:	Urgent
Security classification:		Tracking number:	2122-0586

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Agree in-principle, subject to seeking Cabinet funding, to bring the Quality Hotel Elms, Christchurch, online as an additional MIQ facility.	30 August 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Milne	Associate Deputy Secretary	Privacy of natural persons	✓
Privacy of natural persons	Principal Policy Advisor		

The following departments/agencies have been consulted
Ministry of Health, Police, New Zealand Defence Force, Aviation Security Service, DPMC, Treasury.

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



BRIEFING

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Purpose

This briefing provides you with information about possible new MIQ facilities in Rotorua and Christchurch. Specifically it covers:

- Continued risks to the MIQ system of adding new facilities;
- The results of the stakeholder engagement and facility assessments in Rotorua and Christchurch;
- In-principle agreement to add the Quality Hotel Elms, Christchurch to the MIQ network; and
- Cabinet approval of funding for an additional MIQ facility.

Recommended action

The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** due to MIQ system pressure and increased risk due to the Delta strain of COVID-19, officials continue to recommend that MIQ capacity is not increased at this time. *Noted*
- b **Note** MBIE advises against commissioning a facility in Rotorua, due to workforce constraints, lack of local stakeholder support and ventilation issues identified in the possible facilities. *Noted*
- c **Agree** not to progress further work to commission a facility in Rotorua at this time. Yes/No
- d **Note** the local engagement and feasibility assessment has confirmed that the Quality Hotel Elms, Christchurch (the Elms) could be brought online as an additional MIQ facility. *Noted*
- e **Agree** in principle, subject to seeking Cabinet funding, for the Elms to be brought online as a MIQ facility. Yes / No
- f **Note** Negotiations *Noted*
- g **Note** that if you want to seek funding from Cabinet to bring the Elms online, a draft Cabinet paper will be provided to you by 6 September 2021. *Noted*

Proactive release

h **Agree** that this briefing is proactively released with appropriate withholdings under the Official Information Act 1982.

Agree / Disagree



Andrew Milne
Associate Deputy Secretary MIQ
MBIE

27/08/2021



Hon Chris Hipkins
Minister for COVID-19 Response

30/8/21

This briefing notes that the additional Hobson facility identified would actually be the more cost effective option of the two. However given the demand we are facing we need both in any event. I'd like to urgently see a plan to relieve the pressure/risk areas, particularly around workforce (eg direct recruitment of security, alternative healthcare arrangements such as greater use of telehealth).

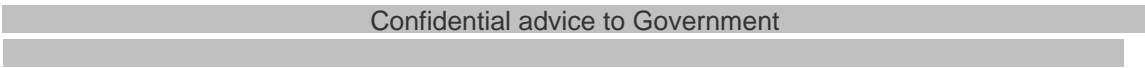
Background

1. On 5 July 2021 we provided you with information about the commissioning process for new MIQ facilities and short term infrastructure needs [2122-0037 refers]. You asked officials whether the commissioning process could be shortened and if additional MIQ facilities could be brought online before the December/January peak demand.
2. On 29 July 2021 we provided advice on an expedited MIQ facility commissioning timeframe [2122-0339 refers]. On 3 August 2021 we advised that a desktop assessment had identified three possible new MIQ facilities – two in Rotorua and one in Christchurch [2122-0375 refers]. You subsequently agreed that MBIE would engage stakeholders and undertake further suitability assessments of the Rotorua and Christchurch facilities.
3. This briefing covers the results of the stakeholder engagement and suitability assessments of the three possible MIQ facilities.

Risks of an additional MIQ facility

4. The number of COVID-19 cases worldwide is at its highest ever, due to the transmissibility of the Delta variant. Australia has recognised the increased risk of spread of the Delta variant in border quarantine facilities and has reduced the number of international commercial flight arrivals by 50 percent.
5. The spread of the Delta variant has led to additional waves in countries that were previously doing well against COVID-19, even in those countries where vaccinations had begun to reduce transmission. This includes Australia where the outbreak in New South Wales has led to the suspension of quarantine-free travel. All 79 sequenced cases in New Zealand between 19 July and 9 August were the Delta variant.
6. The MIQ system is currently under significant pressure. This includes increased demand on MIQ as a result of the Delta variant community outbreak. This has resulted in two MIQ facilities being converted to quarantine only use with more expected to need to be converted in the coming days in order to accommodate all positive cases from the community as well as returnees who test positive. The additional workforce pressure and operational risk of this is significant, and resources are being drawn from other regions to support, in particular from Christchurch
7. In addition to the heightened risk from the Delta variant, New Zealand has been facilitating returns from New South Wales and emergency evacuation of civilians from Afghanistan. To enable this, we have used the 500-room QFT contingency and system-wide contingency to increase MIQ's total operational rooms to approximately 4,800. It has resulted in delays to maintenance and ventilation work at several facilities, and our workforce across these facilities has been stretched. Increasing the number of facilities across the MIQ system will exacerbate these pressures.
8. Staff are our last line of defence between COVID-19 and the community. It is critical that any future decisions around increasing MIQ capacity by standing up new facilities takes into account the additional workforce that will be required, including the time that will be needed to hire and train new staff members, and the increased pressures that will be placed on existing workforce to support the new facilities.

Workforce considerations

9. We have engaged with all key agencies who are currently involved in staffing MIQ facilities.
10.  Confidential advice to Government

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
11. Police will shortly provide separate advice to Government on the ongoing impact of their involvement in MIQ on their frontline services. This advice includes a recommendation for a way forward to ensure funding and workforce requirements to manage both MIQ commitments and front-line policing commitments. Subject to Ministerial decisions on whether Police maintain a presence at MIQ, Police will look to provide the agreed police officers for new facilities if decisions are made to proceed, with acknowledgement that this pulls further officers from the front-line.
12. AVSEC is able to free up a small number of staff in Christchurch while quarantine free travel with Australia is paused.
13. First Security has signalled that they will work to provide Security Officers for new facilities if decisions are made to proceed, however, [Redacted] Improper pressure or harassment [Redacted]
[Redacted]
[Redacted] We are also working with First Security to explore options for their involvement in supplementing MBIE security workforce levels as the NZ Defence Force transition programme commences.
14. There are currently multiple pressures on the health workforce – this includes staffing of MIQ facilities, community testing and progressing the vaccination programme. Any immediate recruitment for new MIQ facilities is likely to be from the existing health workforce. This will [Redacted] Free and frank opinions [Redacted].
15. Further workforce considerations are discussed later within this paper as part of the assessment of possible new facilities. This includes the engagement with local DHBs.

Rotorua

Facility assessment

16. We previously identified two possible facilities in Rotorua:

Commercial information

[Redacted]

17. [Redacted] Commercially sensitive [Redacted]
[Redacted]
[Redacted]
[Redacted]

Commercially sensitive

18. A team composed of MIQ operations staff (including a DHB representative) undertook a site assessment of the Commercial information in Rotorua on 16 August 2021. The overall assessment of the feasibility of this hotel operating as an MIQ facility was favourable from an operational perspective - in terms of space and movement of returnees.

19. Commercial information

20.

Cost breakdown of Commercial information

Commercial information

Iwi, local stakeholder and workforce considerations

- 21. Senior MBIE officials met with key Rotorua stakeholders on 9 August 2021 to initially discuss the idea of establishing a further MIQ facility.
- 22. The Lakes District Health Board (LDHB) noted they are committed to supporting the current three MIQ facilities in Rotorua and have 54 staff committed to these facilities. They currently have significant nursing vacancies (65 FTEs) in the Rotorua Hospital that they are trying to recruit for as well as having their COVID-19 vaccination programme underway.

¹ An onsite ventilation assessment was not able to undertaken on any of the facilities because of Level 4 restrictions. However, we are confident that the desktop assessment provides sufficient surety to whether the facilities meet, or have the potential to meet MIQ preferred conditions.

² Commercial information

23. LDHB indicated that they could not guarantee sufficient staff for any additional MIQ facilities without an impact on other local health services, for example elective surgery procedures.
24. MBIE officials also met with local iwi, the Rotorua Mayor and Tamati Coffey MP. The key issues raised were the:
 - The size of current MIQ operations in Rotorua (three facilities) is disproportionate to the size of the town;
 - Three large scale hotels currently operating as MIQ facilities have reduced commercial accommodation capacity in the town;
 - The reduced accommodation capacity means that short term AirBnB visitor accommodation is now a more attractive option for rental home owners rather than long term rental accommodation. This is considered to be adding to homelessness issues as a result of lack of suitable/affordable housing. Stakeholders felt that while the MIQ facilities are not directly linked to Rotorua social economic issues, it was adding to them; and
 - Concern about the additional deployment of Police, noting their local crime problems (which have increased recently) and that Police staffing their local MIQ facilities were not always being deployed from outside of Rotorua. Therefore, they considered an additional MIQ facility would lead to a direct reduction of local policing and associated impact on public confidence and crime.

Rotorua conclusion

25. Because of the reasons outlined above the local stakeholders expressed opposition to the proposal to establish an additional MIQ facility in Rotorua.
26. MBIE is investing considerable time and effort in strengthening and deepening its relationship with iwi. Ignoring the view of iwi could impact upon this relationship and could make it more difficult to operate MIQ facilities in Rotorua. It could end up reducing the size of the current available workforce and damaging relationships with the local community.
27. Commercial information.
Because of both stakeholder, health workforce and facility factors we do not recommend progressing further work to commission a facility in Rotorua.

Christchurch

Facility assessment

28. We previously identified one possible facility in Christchurch:

Quality Hotel Elms – 115 rooms (approximately 85 rooms available for returnees)



29. A team of Health and MIQ operations staff completed a site assessment of the Elms on 13 August 2021 and found that it was likely to be suitable for use as an MIQ facility. The desktop ventilation assessment, provided to MBIE on 23 August 2021 by an independent ventilation engineer reported that the Elms' rooms will achieve our preferred IPC conditions.
30. The facility met all 'must have' criteria set out in our previous advice [briefing 2122-0375 refers]. It would require approximately 32 staff to run over a 24 hour period.
31. This facility would cost approximately Commercial information to run per month, with initial establishment costs of Commercial information. A high level breakdown of these costs is included below.

Cost breakdown of Quality Hotel Elms

Commercial information

Local stakeholder and workforce considerations

32. Senior MBIE officials met with key Christchurch stakeholders on 10 August and 12 August 2021 to discuss the idea of establishing a further MIQ facility.
33. CDHB discussed the impact of the closed borders leading to a significant shortage of international clinical workers that usually work in New Zealand, particularly from the

Philippines and Singapore and if there was anything that could be done to assist bringing in additional qualified international medical staff to help fill the vacancies at the CDHB as well as staff a new MIQ facility. If we proceed with the Elms we may receive such a request in the future from CDHB.

34. Overall the CDHB was supportive of looking at how they could support the opening of a new facility.
35. MBIE also met with the Christchurch Mayor, who acknowledged the need to support the COVID-19 response and was open to an additional MIQ facility in Christchurch.
36. The Mayor noted that it would be good to ensure that Christchurch continues to retain/attract certain business and discussed the importance of the MIQ system to achieve this. The Mayor mentioned the International Antarctic programmes that uses Christchurch as a base. She [redacted] Free and frank opinions [redacted] Christchurch could lose the Italian programme and other countries permanently. International students were also raised as a group of interest, in addition to the bespoke opportunities that occur from time to time [redacted] Commercial information [redacted]
37. MBIE also met with Ngāi Tahu. They were generally supportive of an increase in facilities and were interested to understand if Ngāi Tahu people could be given the option to choose to isolate there. The conversation focussed on the need to balance community safety with allowing more New Zealanders to return home. It was also recognised that there were very limited options outside of the main population areas and that Christchurch was a logical place for MIQ facilities.
38. Security would be delivered on a blended model and would be heavily reliant on First Security for the majority of security staff, but AvSec are likely to be able to support, particularly while quarantine-free travel with Australia remains suspended.

Conclusion

39. The Elms is smaller than our ideal facility size, with around 85 rooms available for use by returnees, but otherwise is suitable for use as an MIQ facility. We have provided you today with advice recommending the closure of the Bay Plaza in Wellington (2122-0420 refers). We consider that the Elms would be a good replacement for the Bay Plaza which would result in a small net increase of capacity. The Elms could be opened prior to the closure of the Bay Plaza with no overall loss of capacity.
40. While workforce constraints continue to be an issue in Christchurch, they are less critical than in Rotorua, and local stakeholders are more positively disposed to an additional facility being stood up in their city. Christchurch is a larger city than Rotorua, which means that it can more easily absorb an additional facility without as significant an impact on the local community. Based on initial conversations with partner agencies, it was concluded that there should be sufficient workforce to staff a new MIQ facility.
41. If you wish to proceed with commissioning a new facility, the Quality Hotel Elms Christchurch is our recommendation. At this time we do not have any other possible additional facilities within our current MIQ geographical footprint.

Next Steps and Cabinet funding

42. If you agree to commission a new MIQ facility, we would start in-principle contract negotiations with the chosen facility. These discussions would support the development of a Cabinet paper requesting funding. The funding request would include facility and workforce costs. We will provide this Cabinet paper to you by 6 September 2021.

43.

44.

45. If Cabinet approves funding, we would finalise contract negotiations and commissioning steps such as ventilation remediation and installation of security measures.
46. Assuming a timely progress through the Cabinet process, we are expecting that a new facility will be fully operational by mid-November 2021. If the request to Cabinet is successful we would provide you with an updated implementation plan (which would include a detailed communication plan).
47. We have also provided you with advice on future MIQ infrastructure [2122-0483 refers], which will enable you to consider changed or additional capacity within a longer term strategic plan.